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Company Announcements Office
ASX Limited
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Dear Sir/Madam

FY12 Half Year Results Conference Call and Slide Show

Please find attached the script from today's FY12 Half Year Results Conference Call and Slide Show.

Yours faithfully
Imdex Limited

A handwritten signature in blue ink, appearing to read "P. Evans", with a long horizontal flourish extending to the right.

Paul Evans
Company Secretary



<<Slide 1 – Cover >>

Hello, everyone and thank you.

<<Slide 2 – Today's Agenda >>

I will begin by providing an overview of the Imdex Group results for 1H12. Paul Evans, Imdex's CFO and Company Secretary will then present a more detailed analysis of the financials. I will then cover the operations and divisional performance, comment on the outlook regarding Imdex's main end markets of mining and oil and gas, and outline Imdex's strategy and opportunities for growth in 2H12 and beyond.

Time has been allowed for questions at the conclusion of the presentation. For listeners who are not familiar with the Imdex Group further information can be found on our website.

<<Slide 3 – Record First Half Performance >>

1H12 has been a very strong half for Imdex, with the Company achieving its best ever half year result across all key metrics:

- Record revenue and earnings
- Record financial performance in the four mining regions of Asia/Pacific, the Americas, Africa and Europe leading to record revenue from the Minerals division
- The bolt-on acquisition strategy continued, leading to increased margins and extended global reach
- Record number of Reflex instruments on rent during the half and likely to be exceeded before June 2012
- Oil & gas down hole survey business transformed with the acquisition of Vaughn Energy Services in the United States - a key Oil & Gas market; and
- A record first half dividend.

Importantly, 1H12 saw continued progress in our strategy of expanding geographically, maintaining product leadership, increasing rental income and growing our oil & gas business.

We have a strong technology portfolio with an exciting new product pipeline in place.

And we have a number of attractive growth opportunities which will continue to drive revenue and earnings growth in 2H12 and beyond.

<<Slide 4 – Continued strong financial performance >>

Now let's get a little more specific and turn to Slide 4 which provides an overview of the key financial results.

The Company performed strongly in the robust market conditions experienced throughout the first half.

Combined revenue, which includes Imdex's 50% share of revenue from the DHS Joint Venture, was up 46% to \$139.9 million. EBITA was up 81% to \$38.3 million, and net profit after tax was up 88% to \$22.7 million. In addition, our pre-tax operational cash flow performance was strong, up 121% to \$33.2 million. All record first half results for Imdex.

Our balance sheet is in excellent shape with net debt to total capital at 23.7% after the acquisition of Vaughn Energy by the DHS Services JV, and interest cover to EBITA of 54 times.

We have continued to make bolt-on acquisitions and recruit selectively to be able to meet and exceed our customers' requirements. As a result, we have seen our global workforce grow by 44% to 445 people since December 2010, of which nearly 60% live and work outside of Australia. This reflects our strategy of investing in our team and business so we are well positioned longer term to take advantage of volume growth as well as expand market share globally.

The Directors have declared a fully franked interim dividend of 3.25 cents per share. The 86% increase in interim dividend reflects the strength of Imdex's underlying earnings and future opportunities, as well as the Board's commitment to paying a sustainable and growing dividend stream while balancing the capital needs of the business during this growth phase.

The robust trading conditions experienced in 1H12 have so far continued into the early stages of 2H12. We expect 2H12 to be stronger than 1H12 given Imdex's strong market positions, leading technologies, resilient business model and robust strategy.

<<Slide 5 – Record revenue >>

As illustrated by the bar charts on slide 5, Imdex's first half combined revenue, which includes our share of the revenue from the DHS JV, hit a record high for the half and is in line with our full year revenue in FY08, prior to the global financial crisis. Our 1H12 combined revenue was up 46% to \$139.9 million due to continued robust trading conditions and increased market share. The Minerals division was very strong and at record levels with robust demand for both drilling fluids and down hole instrumentation.

During the year we experienced strong growth in the Reflex rental fleet, in keeping with our strategy to increase rental based income, with new highs achieved during the half. Pleasingly, instrumentation

numbers on active hire post the traditional Christmas-New Year slowdown have bounced back sharply and we estimate a new record being reached before 30 June 2012.

<<Slide 6 – Record EBITA>>

Moving to slide 6, the growing margins within our businesses saw EBITA grow faster than revenues, with total EBITA up 81% to \$38.3 million. This is a pleasing result given the 1H12 EBITA is the same level as the whole EBITA generated over FY08 before the GFC.

The strong minerals performance across all global mining regions drove EBITA growth.

Before moving onto the operational review and outlook for Imdex's principal markets, strategies and opportunities for future growth, I will hand over to Paul Evans for a more detailed look at Imdex's financial performance.

<< Slide 7 - Profit & loss >>

Thank you Bernie. Slide 7 outlines the financial results in more detail, comparing the result for 1H12 against the prior corresponding period. Statutory revenue (excluding the DHS JV) for the half year was up 44% to \$138.5 million, and operating profit after tax was up 88% to \$22.7 million.

Pre-tax operating cashflow more than doubled to \$33.2 million compared to \$15 million in 1H11. The increase largely reflects the improved trading conditions and a continuing improvement in our customer collection levels.

<< Slide 8 – Strong balance sheet>>

Moving to slide 8, net assets have increased \$13.3 million since 30 June 2011 largely due to the improved trading of Imdex's underlying businesses. This has been offset to some degree by a \$11.2 million decline within the Foreign Currency Translation and Investment Revaluation Reserves.

Our working capital investment has continued to increase with the growth in business activity, particularly in the area of stock in the Fluids business.

Our total gross debt position has remained static since 30 June 2011 following the increase in facility limits secured for the Fluidstar acquisition. Net debt decreased marginally during the half to \$18.0 million from \$19.5 million. Our gearing levels, as measured by net debt to capital, decreased to 11.5% at 31 December 2011. If we include borrowings for the recently announced acquisition of Vaughn Energy Services by the DHS JV, our balance sheet will still remain strong with pro forma gearing conservative at around 23.7%.

I'll now pass back to Bernie for the remaining part of the presentation.

<< Slide 9 – Minerals division >>

Thanks, Paul. As many of you know Imdex operates two divisions being Minerals and Oil & Gas.

The bar chart on slide 9 clearly demonstrates the strength in our Minerals division. Record half year revenue of \$124.0 million, representing 89% of Group combined revenue, was up 52% on 1H11. Asia Pacific continued to be the dominant region generating 48% of revenue. The Americas and Africa contributed strongly with 30% and 18% of revenue respectively, representing a higher proportion of overall revenue from the division – a trend we expect to continue as we pursue organic growth in these regions.

Mineral exploration expenditure globally was strong throughout the first half, with major customers such as Boart Longyear, Major Drilling, Layne Christensen, Energold, Foraco, Orbit Garant, Geosearch, Ausdrill, Swick and a host of other leading drilling contractors around the world experiencing increased drill rig utilisation and demand for Imdex's products.

AMC is the leading brand of drilling fluids for the global mining industry, and ongoing product development ensured that Reflex remained the number one supplier of down hole instrumentation to the mining and mineral exploration industry globally.

The acquisition of Australian Drilling Specialties in July 2011 has added considerable value during the period and the integration into AMC has been seamless.

We expect to drive further increases in the drilling fluids and down hole instrumentation mining business in 2H12 and beyond.

Apart from organic growth in each of the major mining regions, the recent acquisitions of ADS and System Mud in Brazil will assist in driving increased revenue and earnings and I will talk more to those acquisitions in a moment.

<< Slide 10 – Record Reflex rental fleet >>

Slide 10 clearly shows the benefit of our global structure, technology leadership, and continued spending on product development. Robust activity in the global mining industry, our regional support structure, and cross selling initiatives have all contributed to achieving record Reflex rental fleet numbers during the half. At 31 December 2011, you can see the negative seasonal impact, however the fleet's growth trajectory has quickly been re-established post the traditional holiday slow down period. We expect new records to be created in 2H12.

<< Slide 11 – Solids Removal Units>>

Our unique surface and underground solids removal units for the diamond drilling industry has taken much longer to develop than we initially anticipated but it has been worth the wait. We now have a unique technology that works well and addresses a critical need in the market. As we have said on previous occasions, it is becoming environmentally unacceptable to have drilling fluid sumps next to the drilling rig. Our technology allows drilling fluids to be contained while the solids are removed from the fluid and disposed of separately. Water conservation and zero footprint with no environmental damage are key advantages of using our technology.

Given the time it has taken to get this technology right, there was no contribution from this technology in 1H12, however, we expect to have a number of units in the field in Australia by the end of FY12. There should be significant growth in FY13 and beyond as the technology is rolled out globally and the industry embraces the advantages of using this technology.

<< Slide 12 – Oil & Gas division >>

Slide 12 shows that in 1H12, Oil & Gas division combined revenue was up 10% to \$15.9 million, and represented 11% of Group combined revenue. Included in this revenue figure is \$1.4 million from the DHS joint venture being Imdex's 50% share.

We have also made considerable progress in our strategy to expand this business with the acquisition by the DHS JV of Vaughn Energy Services in the United States, which I will go into in more detail in a moment.

<< Slide 13 – Integrating ADS & System Mud >>

If we move to slide 13, and as mentioned earlier, we acquired ADS on 1 July 2011. This acquisition was immediately earnings accretive and provides Imdex with the following additional benefits:

- Ownership of the product formulations, intellectual property and key polymer technology;
- Increased control over the supply chain; and
- Additional manufacturing expertise.

ADS is now fully integrated into the AMC business.

Like ADS, the acquisition of System Mud in Brazil is immediately earnings accretive and provides Imdex with the following strategic benefits:

- Access to the growing Brazilian minerals market, allowing our business to compete profitably in that market;
- Ability to better service our global customers such as Boart Longyear and Layne Christensen;
- Product formulations and intellectual property; and
- A base for Reflex in Brazil and additional cross selling opportunities.

<< Slide 14 – DHS JV acquisition of Vaughn Energy Services >>

Effective 1 July 2011, Imdex formed a 50:50 joint venture with DHS Services (DHS) which is based in Dubai and majority owned by Lime Rock.

The DHS joint venture supplies down hole survey services to both the onshore and offshore oil & gas industry, primarily in the Middle East.

The global oil and gas industry is largely serviced by Scientific Drilling International (SDI) and Gyrodata. However, there is excellent demand for a third player as SDI and Gyrodata conduct directional drilling services, which places them in a situation where they compete directly with a number of their customers.

The DHS JV's business model is a pure down hole surveying business, which does not compete with any of its customers. This business model is being embraced by the large oil & gas service companies and provides an attractive platform to grow the business globally.

In order to support this growth opportunity, effective 1 January 2012, the DHS JV acquired Vaughn Energy Services (Vaughn). Vaughn competes head to head with SDI and Gyrodata in the US land based oil and gas market, and in calendar 2011 generated revenue of US\$39 million.

The cost of the acquisition was US\$100 million comprising:

- US\$38 million cash to be paid at settlement with Imdex's contribution being US\$19 million;
- US\$12 million in earn outs during the course of calendar 2012 to be funded by the joint venture; and
- US\$50 million worth of equity in the combined DHS/Vaughn business.

The acquisition price was achieved on a trailing EBITDA multiple of approximately 5 times and Imdex's equity interest in the DHS Joint Venture has reduced from 50% to 30%.

<< Slide 15 –DHS JV acquisition of Vaughn >>

The acquisition of Vaughn supports the DHS JV's growth and catapults the business into the third largest global provider in the annual US\$400 million to US\$500 million oil & gas down hole survey market. It is also immediately earnings accretive for Imdex.

Through Vaughn, DHS becomes a substantive player in the US onshore oil & gas market, which represents approximately one third of the global market. It would have been very difficult to break into this market as a fourth competitor.

The acquisition diversifies the geographical footprint, range of technologies and customer base of the DHS JV and introduces new technologies to the Group. The combined technology portfolio is competitive with SDI and Gyrodata, however one of the exciting elements of this transaction is the ongoing co-ordinated product development.

The combined business is expected to generate revenue of approximately US\$70 million in calendar year 2012.

<< Slide 16 – On track with strategy >>

Our focused strategy of supplying Drilling Fluids and Down Hole Instrumentation to two main end markets of mining and oil and gas is robust and will continue. As illustrated by slide 16, Index will continue to concentrate on late stage minerals applications and further penetrate underdeveloped mining markets globally while growing our oil and gas business.

Looking at the top row of pie charts, you can see that we wish to grow our oil and gas revenue to represent approximately 30-40% of overall revenue in the next 3-4 years. The planned expansion in our drilling fluids and production and completion chemicals plus the DHS JV business supports this growth strategy.

We believe that this business sector diversification is logical and an extension of our existing business into a sector that we have considerable expertise in.

The middle row of pie charts shows the benefits of the investment in the down hole instrumentation business which generated 72% of Group EBITA from only 37% of our combined revenue.

The pie charts on the bottom row show the benefit of the strategy in the instrumentation business to transition from a sales model to a rental model. In the past we did not rent any instrumentation, however over the last 4-5 years we have been implementing a rental strategy and in 1H12 30% of combined revenue was generated by rentals.

We will continue to invest in technology and employ the rental model going forward.

<< Slide 17 – Estimated global exploration spend (non ferrous) >>

Global non ferrous exploration expenditure has made a rapid recovery post the GFC and large, intermediate and junior companies are well funded and back exploring.

Metals Economics Group estimated that global non ferrous exploration expenditure in calendar year 2011 will be up 58% on 2010 levels at US\$18.2 billion. We believe that industry capacity is insufficient to accommodate this spend, therefore a proportion of the 2011 estimated expenditure should flow into calendar 2012. Metals Economics Group will provide an early estimate of the 2012 expenditure at the PDAC Mining Investment Show in Toronto in early March this year.

Commodity prices appear robust and resource companies are well funded.

Spending is occurring in all major mining regions. Globally, the main activity is around gold, copper, nickel and uranium. There is also much activity in the iron ore and coal sectors and money spent in these areas is additional to the US\$18.2 billion estimate referred to earlier.

In the minerals industry, there are long lead times from discovery to production and discovery is becoming increasingly challenging. Ore bodies are deeper, more complicated and cost significantly more to bring into production.

This is good news for Imdex because mining companies will need to continue spending on exploration and development requiring down hole instrumentation and drilling fluids to be able to access deeper and more complicated ore bodies.

A similar picture applies to the oil and gas industry where new discoveries are deeper and more complicated and more costly to develop.

<< Slide 18 – Key business drivers >>

On Slide 18, we have listed the key drivers for our business where mineral exploration spend and drill rig utilisation are very important. Drilling rigs require drilling fluid and down hole instrumentation, and as utilisation levels increase, the demand for Imdex products increases. This in turn drives increases in the Reflex rental fleet and our growing relationships with global customers ensures a more sustainable business. Investing in research and product development to continue technology and market leadership and enhancing operational efficiencies are key components in maintaining these strong relationships and we will continue to do that.

The simplification of our brands and the implementation of the regional business model for our mining business have already paid dividends and will continue to benefit the group for many years to come.

<< Slide 19 – Summary >>

In summary, I would like to close with the following remarks on slide 19:

1H12 was a record half year for Imdex, with the company achieving its best ever results across all key metrics. Revenue and profits were the highest recorded by Imdex, and our Reflex rental fleet reached new highs. We expect further increases throughout 2H12 and new records to be created as we are currently experiencing unprecedented levels of activity in all of the major mining regions across the globe.

We have a strong balance sheet, even after recent acquisitions are taken into account. We also continued investing in product development through the half, which has delivered a wider suite of instrumentation and new technologies to be launched at the forthcoming PDAC convention.

Our strong balance sheet has also allowed us to pursue attractive growth opportunities, such as the acquisitions of Australian Drilling Specialties and System Mud in Brazil and the acquisition of Vaughn by the DHS Services joint venture. These acquisitions further strengthen the Company's growth platform and uniquely position the Company to diversify our revenue stream and benefit from robust commodity and energy markets.

We continued to strengthen our management and global structure and have further simplified our business by having only the AMC and Reflex brands in the minerals business.

Imdex is well positioned to capitalise on a number of attractive growth opportunities currently available, and increase shareholder value over the longer term given the Company's market position, unique suite of proprietary technologies, customer relationships and global footprint.

As outlined on this call, we expect 2H12 to be stronger than the first half, creating further record financial performance.

That brings the formal part of our presentation to an end. Paul and I are now happy to answer any questions you may have.